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June 30, 2006

VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 06-36

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), are Bay State's responses to the following Information Requests:

DTE 1-3

DTE 1-6

DTE 1-8

The attachments to these responses contain confidential information; therefore, Bay State has attached its Motion for Protective Treatment. One copy of the confidential attachments is being filed with the Hearing Officer.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

Patricia M. French

cc: Julie Howley Westwater, Esq., Hearing Officer  
Jamie M. Tosches, Esq., Office of the Attorney General  
Service List (Electronic Service per the Ground Rules)

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

<b>BAY STATE GAS COMPANY</b>	)	<b>D.T.E. 06-36</b>
<b>Incremental Planning Standard for</b>	)	
<b>Grandfather Overtakes</b>	)	

**MOTION OF BAY STATE GAS COMPANY  
FOR PROTECTIVE TREATMENT**

NOW COMES Bay State Gas Company (“Bay State”) and respectfully requests that the Department of Telecommunications and Energy (“the Department”) grant it protection from public disclosure over certain confidential, competitively sensitive and proprietary information submitted in this proceeding and in accordance with G.L. c. 25, sec. 5D. In support of its Motion, Bay State states:

1. On March 31, 2006, Bay State initiated this proceeding in compliance with a requirement in D.T.E. 05-27 establishing Bay State’s obligation to address the issue of grandfathered overtakes on its system.
2. On June 8, 2006, the Department issued its first set of information requests of Bay State in the proceeding. As part of the requests made by the Department, the Department asked several questions seeking customer-specific information about Bay State’s grandfathered, capacity-exempt customers.
3. The Department seeks the following:  
  
DTE 1-3: Provide a list of all grandfathered customers and include the following information: (1) the date on which the customer became grandfathered; (2) whether the customer is metered or non-metered; (3) whether the customer is considered an “essential needs” customer; and (4) describe the type of customer, e.g. school, hospital, nursing home, etc.

DTE 1-6: Provide a list of all customers who had grandfathered status at any time and lost it by electing to be served under a firm sales service.

DTE 1-8: Refer to Exh. BSG-1, at 3, and Exh. BSG-1, Att. JAF-1. Bay State states that the Company notified all grandfathered customers of the potential for shutoff. Provide a list of all customers to whom the letter (Att. JAF-1) was sent. Describe what, if any, customer response Bay State received from this letter, and include copies of any response made in writing. Describe any reaction from marketers to the letter, and identify any meetings held between Bay State and customers and/or marketers as a result of this letter.

4. Bay State's responses to DTE-1-3, DTE-1-6 and DTE-1-8 necessarily include confidential customer-specific information. This is information that is treated as confidential within the Company and not disseminated outside of the Company. Moreover, under Department precedent, customer-specific information is proprietary to the customer and only the customer has the right to indicate whether his or her information should be available to anyone else (e.g. a competitive supplier or marketer) or the public in general. Therefore, Bay State seeks protection for the responses to DTE-1-3, specifically Attachment DTE 1-3 (a), DTE-1-6 and DTE-1-8. Protection for this information is appropriate pursuant to Chapter 25, section 5D of the General Laws of Massachusetts.

5. G.L. c. 25, sec. 5D is specifically designed to protect against disclosure of competitively sensitive information. That provision, in part, provides

[T]he [D]epartment may protect from public disclosure, trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter. There shall be a presumption that the information for which protection is sought is public information

and the burden shall be upon the proponent of such protection to prove the need for such protection. Where such a need has been found to exist, the [D]epartment shall protect only so much of the information as is necessary to meet such need.

G.L. c. 25, sec. 5D. In determining the existence and extent of such need, the Department must consider the presumption in favor of disclosure and the specific reasons why disclosure of the disputed information benefits the public interest. Berkshire Gas Co., D.P.U. 93-187/188/189/190 at 16 (1994).

6. The Department has recognized each customer's right to control dissemination of his or her account information, address, load and demand information and payment records, even when the important public policy of expanding retail competition has been in issue. Moreover, since the customer-specific information requested in DTE-1-3, DTE-1-6 and DTE-1-8 pertains to transporting customers, it is likely that dissemination of this confidential information may constitute dissemination of information that is competitively sensitive to each of those customer's marketers or suppliers as well.

7. This confidential, sensitive and proprietary information is the type of information the Department may protect from public disclosure pursuant to G.L. c. 25, sec. 5D and is the type of information that the Department has previously recognized is appropriate for protection.

**WHEREFORE**, Bay State Gas Company respectfully requests that the Department of Telecommunications and Energy grant its Motion for Protective

Treatment as stated herein, and protect indefinitely from public disclosure the Attachments to DTE-1-3 (a), DTE-1-6 and DTE-1-8 that contain confidential customer-specific information.

Respectfully submitted,

BAY STATE GAS COMPANY

By its attorney,

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DATED: June 30, 2006

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
FIRST SET OF INFORMATION REQUESTS FROM THE D.T.E.

D.T.E. 06-36

Date: June 30, 2006

Responsible: Joseph A. Ferro, Manager, Regulatory Policy

DTE 1-3: Provide a list of all grandfathered customers and include the following information: (1) the date on which the customer became grandfathered; (2) whether the customer is metered or non-metered; (3) whether the customer is considered an "essential needs" customer; and (4) describe the type of customer, e.g. school, hospital, nursing home, etc.

Response: CONFIDENTIAL Attachment DTE 1-3 (a) provides a list of the grandfathered customers identifying: (1) the date on which they became grandfathered, most of whom became grandfathered as of February 2, 1999, the date of the capacity assignment settlement; (2) Daily or Non-daily Metered status; and (3) if the customer is of "essential needs," which the Company has defined as accounts belonging to hospitals, nursing homes, schools, government accounts, churches, and residential end use. Attachment DTE 1-3 (b) provides a summary of the number of accounts by essential needs type and the associated annual throughput.

Because CONFIDENTIAL Attachment DTE 1-3 (a) contains customer specific information, Bay State claims it is confidential under the Department's precedent and accordingly submits herewith a Motion for Protective Treatment.

**Attachment DTE 1-3 (a) is a CONFIDENTIAL ATTACHMENT**

**BAY STATE GAS COMPANY**  
**Essential Needs Accounts**  
**Number of Customers by Type and Associated Annual Use**

<b>Classification</b>	<b>Number of Customers</b>	<b>Total Annual Throughput (dekatherms)</b>
Schools	307	861,256
Hospitals	36	540,140
Nursing Homes	34	108,210
Government Facilities	161	589,123
Condos/ Apts./ Residential End Use	433	727,905
Churches	36	25,618
All Others	1186	8,965,888
<b>Total</b>	<b>2,193</b>	<b>11,818,140</b>

Daily Metered	407	7,491,269
Non-daily Metered	1786	4,326,871

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
FIRST SET OF INFORMATION REQUESTS FROM THE D.T.E.

D.T.E. 06-36

Date: June 30, 2006

Responsible: Joseph A. Ferro, Manager, Regulatory Policy

DTE 1-6: Provide a list of all customers who had grandfathered status at any time and lost it by electing to be served under a firm sales service.

Response: CONFIDENTIAL Attachment DTE 1-6 provides the list of approximately 2890 grandfathered accounts that returned to firm sales service after October 15, 2000, the date prior to the first month that capacity assignment provisions, set out in the current Terms & Conditions, were implemented. Between February 2, 1999 and October 15, 2000, 12,280 grandfathered accounts were returned to firm Sales Service; a vast majority of these accounts were residential customers, who were taking supply service from marketers as a result of the Company's residential customer choice pilot program launched in 1996. Bay State Gas is unfortunately unable to produce an account list from this time period because the data is housed in a now dormant customer billing system.

Because the attached list contains customer specific information, Bay State claims it is confidential under the Department's precedent and accordingly submits herewith a Motion for Protective Treatment.

**CONFIDENTIAL ATTACHMENT**



COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
FIRST SET OF INFORMATION REQUESTS FROM THE D.T.E.

D.T.E. 06-36

Date: June 30, 2006

Responsible: Joseph A. Ferro, Manager, Regulatory Policy

DTE 1-8: Refer to Exh. BSG-1, at 3, and Exh. BSG-1, Att. JAF-1. Bay State states that the Company notified all grandfathered customers of the potential for shutoff. Provide a list of all customers to whom the letter (Att. JAF-1) was sent. Describe what, if any, customer response Bay State received from this letter, and include copies of any response made in writing. Describe any reaction from marketers to the letter, and identify any meetings held between Bay State and customers and/or marketers as a result of this letter.

Response: CONFIDENTIAL Attachment DTE 1-8 presents the list of 1810 grandfathered transportation customers to whom Bay State mailed letters in early February 2005. Because the list contains customer specific information, Bay State claims it is confidential under the Department's precedent and accordingly submits herewith a Motion for Protective Treatment.

Approximately 3 % (61) of the affected customers contacted the Company regarding the letter. Inquiries were typically in one of two categories: the first group wanted to know specifically under what circumstances Bay State would lock meters; the second group, were customers who completely did not understand the letter. They were unfamiliar with upstream pipeline capacity, and system reliability issues, and did not understand their grandfathered status. Customers in both categories found the tone of the letter to be harsh. In response, the Company explained that the notice was required by the Department and it was important, but only under circumstances where the grandfathered customer's supplier did not deliver a sufficient volume of gas to satisfy that customer's gas use **and** such insufficient delivery threatened the service to the Company's other firm customers would the Company act to shut-off that customer's meter. It was also explained that it would be difficult to determine which customer received an insufficient delivery because of the ways suppliers conduct intra-day nominations.

For their part, just four (4) marketers gave the Company their reaction to the letter. Three marketers were supportive, while one had a very negative reaction, to the extent that it indicated it would encourage customers to call both Bay State and the Consumer Division at the Department to complain.

The Company did not hold any meetings with customers or marketers to discuss the specifics of this letter.

**CONFIDENTIAL ATTACHMENT**